

**WARNING LETTER
AND
NOTICE OF AMENDMENT**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 4, 1997

Mr. Martin Morell
Oil and Gas Division Manager
Unocal Corporation
PO Box 196247
Anchorage, AK 99519-6247

CPF No. 57705

Dear Mr. Morell:

Between June 23 and 26, 1997, representatives of the Western Region, Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, conducted an inspection of Unocal Corporation pipeline operations in Cook Inlet, Alaska. The facilities reviewed were the pipelines between the Trading Bay Production Facility (TBPF) and the Monopod, King Salmon, Grayling, and Dolly Varden offshore platforms. The inspection included review of operation and maintenance procedures and records at your Kenai, Alaska office. Field observations were made at the Steelhead and TBPF facilities. These low stress hazardous liquid pipelines came under OPS jurisdiction on August 11, 1994, and were required to be in full compliance by July 12, 1996, as per Title 49, Code of Federal Regulations, Part 195.

As a result of the inspection, it appears that Unocal has committed probable violations as noted below of pipeline safety regulations, Title 49, Code of Federal Regulations, Part 195. The items inspected and the probable violations are:

- 1) **§ 195.428 requires that each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, inspect and test each pressure limiting device, relief device, pressure regulator or other item of**

pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability for the service in which it is used.

Unocal did not perform an annual test on one of the pressure safety valves (PSV) that protects the Steelhead platform crude oil pipeline from overpressure. The Steelhead platform gas lift compressors can potentially introduce high pressure gas into the crude oil pipeline immediately downstream of the platform pig trap. The gas piping is protected by a relief device (PSV 2717) currently set to 1400 psi. Inspection tags on this PSV device indicated it was last inspected and tested on June 17, 1993. The MOP of the crude oil pipeline is only 1309 psi. PSV 2717 must be added to the required PSV inspection list, the set point lowered to the rated MOP of the crude line, and tested annually per US DOT 49 CFR Part 195.428 regulations. This annual inspection and test must ensure that PSV 2717 is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity.

- 2) **§ 195.402(d) requires that each operator have written procedures to provide safety when normal design limits have been exceeded. These abnormal operation procedures must include responding to, investigating, and correcting the cause of increases or decreases in pressure flow rate outside normal operating limits.**

Unocal abnormal operation procedures in each Pipeline Specific Operations Manual (PSOM) are inadequate. Unocal's abnormal operation procedures do not specify that when operating design limits have been exceeded that the operator **must** respond to, investigate, and correct the cause of the abnormal operation. Currently, the operator recommends that operating procedures be revised to avoid future incidents. In addition, the abnormal operating procedures for pressure decreases do not include reporting leaks under the *Operator's Response* section, nor do they include filing a safety-related condition report on pressure increases that exceed 110 percent of the MOP.

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Under 49 United States Code § 60122, you are subject to a civil penalty not to exceed \$25,000 for each violation for each day the violation persists up to a maximum of \$500,000 for any related series of violations. We have reviewed the circumstances and supporting documentation involved for violation number 1 and have decided not to assess a civil penalty. We advise you however that should you not correct the circumstances leading to the violation, we will take enforcement action when and if this violation comes to our attention.

In regard to violation item numbered 2, relating to your written procedures for operations, maintenance, and emergencies, the Office of Pipeline Safety is issuing you a Notice of Amendment. As provided in 49 C.F.R. §190.237, this notice serves as your notification that this office considers your procedures/plans inadequate. Under 49 C.F.R. § 190.237, you have a right to submit written comments or request an informal hearing. You must submit written comments or a request for a hearing within 30 days after receipt of this notice. After reviewing the record, the Associate Administrator for Pipeline Safety will determine whether your plans or procedures are adequate. The criteria used in making this determination are outlined in 49 C.F.R. § 190.237. If you do not wish to contest this notice, please provide your revised procedures within 30 days of receipt of this notice.

Please refer to **CPF 57705** on any future correspondence.

Sincerely,

Edward J. Ondak
Director, Western Region

Enclosure

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